

AMENDMENTS TO THE FOOD STAMP ACT OF 1964

DECEMBER 22, 1970.—Ordered to be printed

Mr. POAGE, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 18582]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18582), to amend the Food Stamp Act of 1964, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That Section 2 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households. The Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. The Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

SEC. 2. (a). Section 3(e) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) The term 'household' shall mean a group of related individuals (including legally adopted children and legally assigned foster children)

or non-related individuals over age 60 who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term 'household' shall also mean (1) a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption; or (2) an elderly person who meets the requirements of section 10(h) of this Act."

(b) Add the following sentence at the end of subsection 3(f) of the Food Stamp Act of 1964, as amended: "It shall also mean a political subdivision or a private nonprofit organization that meets the requirements of section 10(h) of this Act."

(c) Subsection (j) of section 3 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(j) The term 'State' means the fifty States and the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States."

(d) Add the following new subsection at the end of section 3 of the Food Stamp Act of 1964, as amended:

"(f) The term 'elderly person' shall mean a person sixty years of age or over who is not a resident of an institution or boarding house, and who is living alone, or with spouse, whether or not he has cooking facilities in his home."

(e) Section 3 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(m) The term 'authorization to purchase card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentation of such document and the amount to be paid by such household for such allotment."

SEC. 3. Subsections (a) and (b) of section 4 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with an opportunity to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than the charge to be paid for such allotment by eligible households. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted; (2) for such period of time as the Secretary determines necessary, to effect an orderly transition in an area in which the distribution of federally donated foods to households is being replaced by a food stamp program; or (3) on request of the State agency: Provided, That the Secretary shall not approve any plan established under this Act which permits any household to simultaneously participate in both the food stamp pro-

gram and the distribution of federally donated foods under this clause (3)."

SEC. 4. Section 5 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"SEC. 5. (a) Except for the temporary participation of households that are victims of a disaster as provided in subsection (b) of this section, participation in the food stamp program shall be limited to those households whose income and other financial resources are determined to be substantial limiting factors in permitting them to purchase a nutritionally adequate diet.

(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period. The Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: Provided, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States.

"(c) Notwithstanding any other provisions of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between the ages of eighteen and sixty-five (except mothers or other members of the household who have responsibility of care of dependent children or of incapacitated adults, bona fide students in any accredited school or training program, or persons employed and working at least 30 hours per week) who either (a) fails to register for employment at a State or Federal employment office or, when impractical, at such other appropriate State or Federal office designated by the Secretary, or (b) has refused to accept employment or public work at not less than (i) the applicable State minimum wage, (ii) the applicable Federal minimum wage, (iii) the applicable wage established by a valid regulation of the Federal Government authorized by existing law to establish such regulations, or (iv) \$1.30 per hour if there is no applicable wage as described in (i), (ii), or (iii) above. Refusal to work at a plant or site subject to a strike or a lockout for the duration of

such strike or lockout shall not be deemed to be a refusal to accept employment."

SEC. 5. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted annually to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor."

"(b) Notwithstanding any other provision of law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event (2) more than 30 per centum of the household's income: Provided, That coupon allotments may be issued without charge to households with income of less than \$30 per month for a family of four under standards of eligibility prescribed by the Secretary: Provided further, That the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued a coupon allotment having a face value which is less than the face value of the coupon allotment authorized to be issued to them under subsection (a) of this section. The charge to be paid by eligible households electing to exercise the option set forth in this subsection shall be an amount which bears the same ratio to the amount which would have been charged under subsection (b) of this section as the face value of the coupon allotment actually issued to them bears to the face value of the coupon allotment that would have been issued to them under subsection (a) of this section."

SEC. 6. (a) Subsection (c) of section 10 of the Food Stamp Act of 1964, as amended, is amended by inserting immediately preceding the first sentence the following: "Any household which is receiving public assistance and which makes application for the benefits of this Act shall be certified for eligibility solely by execution of an affidavit, in such form as the Secretary may prescribe, by the member of such household making application. Certification of a household as eligible in any political subdivision shall, in the event of removal of such household to another political subdivision in which the food stamp program is operating, remain valid for participation in the food stamp program for a period of sixty days from the date of such removal."

(b) Subsection (e) of section 10 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulations be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from

applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; (4) for the submission of such reports and other information as from time to time may be required; (5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households; and (6) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program. The State agency shall, notwithstanding any other provision of law, institute procedures under which any household participating in the food stamp program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under any federally aided public assistance program and have its coupon allotment distributed to it with such grant or payment. In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

(c) Add the following new subsection to section 10 of the Food Stamp Act of 1964, as amended.

"(h) Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or an elderly person and his spouse may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private non-profit organization which: (1) is not receiving federally donated foods from the United States Department of Agriculture for use in the preparation of such meals; (2) is operated in a manner consistent with the purposes of this Act; and (3) is recognized as a tax exempt organization by the Internal Revenue Service: Provided, That household members or elderly persons to whom meals are delivered are housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act."

SEC. 7(a). Subsections (a) and (b) of section 14 of the Food Stamp Act of 1964, as amended, are amended as follows:

"(a) Notwithstanding any other provisions of this Act, the Secretary may provide for the purchase, issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

"(b) Whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization to purchase cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization to purchase cards are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years or both, or, if such coupons or authorization to purchase cards are of a

value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both."

SEC. 7(b). Section 14 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(e) No person shall be charged with a violation of this or any other Act, or of any regulation issued under this or any other Act, or of any State plan of operation on the basis of any statements or information contained in an affidavit filed pursuant to section 10(c) of this Act, except for fraud."

SEC. 8. Subsection (b) of section 15 of the Food Stamp Act of 1964 as amended, is amended to read as follows:

"(b) The Secretary is authorized to pay to each State agency an amount equal to 62½ per centum of the sum of (1) the direct salary, travel, and travel-related cost (including such fringe benefits as are normally paid) of personnel, including the immediate supervisors of such personnel, for such time as they are employed in taking the action required under the provisions of subsection 10(e)(5) of this Act and in making certification determinations for households other than those which consist solely of recipients of welfare assistance; (2) the direct salary, travel, and travel-related costs (including such fringe benefits as are normally paid) of personnel for such time as they are employed as hearing officials under section 10(e) of the Act."

SEC. 9. Section 16(a) of the Food Stamp Act of 1964, as amended, is amended by striking "\$170,000,000 for the six months ending December 31, 1970" and inserting in lieu thereof "\$1,750,000,000 for the fiscal year ending June 30, 1971; for the fiscal years ending June 30, 1972 and June 30, 1973 such sums as the Congress may appropriate".

And the Senate agree to the same.

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Managers on the Part of the House.

ALLEN J. ELLENDER,
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GEORGE D. AIKEN,
JACK MILLER,
CARL CURTIS,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 18582, to amend the Food Stamp Act of 1964, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all after the enacting clause of H.R. 18582 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in a number of major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute generally follows the form and substance of the House bill but it incorporates the following provisions not included in the original House bill:

1. WORK AMENDMENT

The conferees modified the House language requiring certain unemployed able-bodied persons to register for and accept employment as a condition of eligibility for receiving food stamps. The conference substitute clarifies the persons and the jobs which are specifically covered by this provision. The substitute provides that certain able-bodied persons, including those employed and working for less than 30 hours per week, would be required to register for and to accept employment for jobs covered by State or Federal minimum wage laws or Federal wage regulations. In addition, the substitute makes it clear that any jobs which are not covered by such laws or regulations would not be considered available unless an hourly wage rate of \$1.30 is provided. Thus under the terms of the substitute no person would be required to accept a job which paid less than (1) the applicable Federal minimum wage, (2) the applicable State minimum wage, (3) the applicable Federal regulation, or (4) \$1.30 per hour if such job were not specifically included in items (1), (2), or (3) *supra*.

The conferees also wish to make clear their intention that the Secretary not impose a requirement for any person to accept a job which is located an unreasonable distance (such as in a distant State) from the residence of such person.

The conference substitute also makes it clear that the refusal to accept work at a plant or site which is subject to a lock-out is the equivalent to the refusal to accept work at a struck plant or site and thus will not, by itself, be the basis for denying food stamp assistance to any person.

In approving the substitute, the conferees were aware of the language included in other welfare and assistance plans. It is the recommendation of the conferees that in any future welfare legislation there should be a uniform application of "workfare" criteria. While it is

hoped that the criteria established by this legislation will be the standard, the Agriculture Committees will consider in the future any necessary changes that might be needed to make such programs and the food stamp program consistent in regard to this important feature.

2. VALUE OF COUPON ALLOTMENT

The House bill established the value of the coupon allotment to food stamp recipients at a level which the Secretary finds will provide a "nutritionally adequate diet." The Department informed the Committee that this is currently \$106 per month for a family of four. The Senate amendment proposed to establish a "low cost food plan" standard which the Department stated would require \$134 per month for a family of four.

The conference substitute retains the House standard, but adopts the language of the Senate amendment requiring the Secretary of Agriculture to make an annual adjustment to reflect increases for food in the "Cost of Living" index published by the Department of Labor.

FREE STAMPS

The House bill prohibited free stamps and required a payment by recipients of 50 cents per person, up to a maximum of \$3.00 for a family of six or more. The Senate amendment provided free stamps for the very poorest.

The conference substitute provides authority for the Secretary to give free stamps to those who are in the greatest need of assistance. The bill establishes the criteria that families of four persons having an income of less than \$30 per month may receive free stamps. The conferees intend that the Secretary will set comparable free stamp benefits for families of more (or of less) than four persons as well as for individuals who are the very poorest.

AMENDING STATE PLANS

The House bill provided that State plans of operation approved by the Secretary prior to the date of enactment of this legislation would be specifically preserved, but could remain in effect for no more than 180 days after enactment of this legislation. The Senate amendment carried no comparable provision.

The conference substitute, like the Senate amendment, omits this provision because the conferees feel it is unnecessary. The conferees intend that all State plans which are in effect as of the date of enactment of this bill shall continue to be in effect until such time as they are changed in an orderly manner in accordance with the provisions of this Act.

5. DEFINITION OF HOUSEHOLD

The House bill did not alter the definition of "household" under section 3(e) of the Act. The conference substitute includes language which is designed to prohibit food stamp assistance to communal "families" of unrelated individuals.

The substitute, of course, contemplates that the term "related" shall apply to the relationship between married spouses and to such degree of blood relation and other legal relation (such as adoption and

foster children) that the Secretary by regulation may prescribe. The requirement for household members to be related does not apply to persons over 60 years of age.

6. DEDUCTION FROM OTHER FEDERAL PAYMENTS

Under the House bill if a household so authorized it, the food stamp purchase requirements could be withheld from any Federal assistance payment. Under the Senate amendment and the conference substitute households may elect to have their purchase requirements deducted from any federally aided grant or public assistance payment and to have its coupon allotment distributed with its grant or payments.

7. STATE SHARING

The House bill required the several States to commence sharing in the bonus value of food stamps at the rate of 2½ percent the first year, followed by 2½ percent incremental increases until reaching a level of 10 percent State sharing in fiscal year 1974. The Senate amendment omitted this provision.

The conference substitute deletes this provision.

8. APPROPRIATIONS AUTHORIZATION

The House bill provided "open-end" authorizations for appropriations for the period beginning January 1, 1971, and ending June 30, 1973. The Senate bill provided appropriation authorization of \$1.25 billion for FY 1970, \$2.0 billion for FY 1971, and \$2.5 billion for FY 1972.

The conference substitute provides for an appropriation authorization of \$1.75 billion for FY 1971 (the present appropriation for FY 1971 is \$1.42 billion) and such sums as may be necessary (i.e. an "open-end" authorization) for FY 1972 and FY 1973.

9. SELF-CERTIFICATION

The House bill did not contain any provision dealing with the self-certification of recipients. The Senate bill provided that certification would be executed by an affidavit carrying criminal responsibility for fraud.

With respect to public assistance recipients, the conference substitute adopts the Senate provision in regard to self-certification. The substitute leaves unchanged the Secretary's authority in regard to determining the eligibility of persons who are not receiving public assistance.

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THE UNIVERSITY OF CHICAGO

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